



Housing and Community Development Committee MINUTES

**REGULAR MEETING
Tuesday, October 20, 2015**

Board Members in Attendance:

Gordon Smith

Chris Pelly

Cecil Bothwell

Staff in Attendance:

Heather Dillashaw

Jeff Staudinger

Shannon Capezzali

Marvin Feinblatt

Chris Hnatin

Tara Irby

Sandra Anderson

Staff in Attendance:

1. APPROVAL OF MINUTES

The minutes from the meeting on 8/18/2015 were approved.

2. UPDATES

a. Housing Fair

- Jeff Staudinger provided an update on the outcomes of the housing fair. The Board of Realtors felt favorably about the turnout of over 300 people, and appreciated the mix of homeownership and rental opportunities. The HCD committee would like to participate in future housing fairs.

b. Housing Summit

- Invitations for the November Housing Summit will be sent this week.

c. CAPER

- The City's Consolidated Annual Performance and Evaluation Report (CAPER) has been submitted to HUD. A copy of that report will be emailed to HCD Members.

d. Villas Settlement

- Jeff Staudinger provided an overview of the foreclosure outcomes for the Villas property. Staff felt that the developers funds being secured by the lot created a situation that entitled the City to some of the collateral funds. A negotiation determined that the City will receive 22.5% of the net proceeds of the sale of any lots.

e. Eagle Market Place

- Scott Dedman provided an update on the delayed Eagle Market Place development. Removal of the two failed slabs has begun and is expected to take up to three months. This development will provide additional benefits to residents by locating their housing near jobs. Dedman cautioned HCD to choose land banking site locations based on the end goal – Revitalization efforts will require a different site than affordable housing. Goals should be 1. To get the zoning right, 2. Focus on locational efficiency, and 3. Expect higher costs for unfavorable site conditions and historic preservation. Gordon Smith stated that some of

these sites provide an opportunity to literally repair the physical foundation of institutional racism that is still visible on the site.

3. UNFINISHED BUSINESS

f. Housing Trust Fund RFP

- Staff anticipated between \$600,000 to \$900,000 in available funds. In addition to the standard \$600k allocation, there are 2 city properties currently for sale – Skyloft and Villas. The Villas sale price is not determined due to the fact that options exist to add permanent affordability which could result in small second mortgages by the city and a reduction in the cash required by Habitat.
- Gordon Smith stated the Committee should consider rolling applications instead of the yearly process. Cecil Bothwell suggested quarterly or bi-annually. Options for the application process will be discussed at upcoming meetings. Staff provided an overview of the HTF application process schedule. Cecil Bothwell made a motion to approve the HTF schedule, seconded by Chris Pelly. The motion passed unanimously.

g. Emergency Service Grant

- Heather Dillashaw made a request for approval by HCD to apply for ESG funds from HUD. The state has moved to a calendar year format, which provides a gap in funding for the year. Also, funds have been reduced and the City is working with other affected areas to formally request information from HUD about how the reduction was determined. Funds have been shifted from cities to rural areas, where the capacity to manage the funds is limited. Asheville is eligible to apply for \$180,000. Chris Pelly made a motion to approve the application for ESG funds, seconded by Cecil Bothwell. The motion passed unanimously.

4. NEW BUSINESSES

h. Conditional Zoning

- Jannice Ashley provided an overview of the current conditional zoning process, which has not included the recordation of deed restrictions to make those restrictions more transparent for public records. Legal staff is currently working to get deed restrictions for three developments, and Planning staff are providing a comprehensive list. A deed restriction template is needed, which will require not less than 10 years of affordability, to be tied to the developers Certificate of Occupancy or Final Site Compliance Certificate. CZ's would require that the rents be affordable and that the households be income-eligible. Gordon Smith stated that a minimum of 15 years is recommended, with options for Council to negotiate down to an absolute minimum of 10 years. David Nash stated that the policy should encourage developers to accept Section 8 Housing Choice Vouchers. Jeff Staudinger stated that City Council, as part of a CZ request, could express that its expectation is that developments will include affordable housing.

i. Mountain Housing Opportunities

- Scott Dedman did a presentation on the MHO affordable housing programs. Mho currently has built around 800 rented apartment units, and has acquired 150 existing homes and apartments to keep them affordable in other communities. HCD reviewed MHO rent levels compared to HUD limits and market rate rents. HCD Members are invited to an open house and housewarming party on December 3, 2015. Additional developments were discussed.

5. PUBLIC COMMENT

- George Jones from Green Opportunities expressed concern for the focus on the construction of 1 bedroom units and the inflexibility that type of unit creates for changing family dynamics which affects family size and housing needs. Family-sized units of 2 or 3 bedrooms provide more options compared to 1 bedroom units which are exclusive for elderly or 1 person households only.
- Dee Williams expressed continued concern about racial disparity and exclusion among low income neighborhoods in the Asheville area. Gordon Smith stated that in researching racial equity in other communities, the City should consider having a broad philosophical intent to address equity issues. Smith suggested the City research Seattle's racial justice policy for ideas for this area.

6. ADJOURN

- **The next meeting of the HCD Committee will be Tuesday, November 17, 2015 at 9:00 am in the 6th Floor Training room of City Hall.**